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For Immediate Release

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Scully Scott Predicts Substantial Fee Increases for Patent Users

20%-30% fee increases are typical of U.S. Patent and Trademark Fee Modernization Act

Garden City, NY -- Scully, Scott, Murphy & Presser, a leading Intellectual Property (IP) law firm, is advising its clients and friends to expect substantial fee increases for patent users. The U.S. Patent and Trademark Modernization Act (H.R. 1561) will address the backlog of nearly a half-million patent applications at the U.S. Patent and Trademark Office ("USPTO") by hiking user fees and making other changes to streamline the patent examiners' workload. In a typical example, the current fee of \$770 for filing a regular, "non-provisional" patent application will jump 30% to \$1,000.

The legislation was passed by the U.S. House of Representatives on March 3, 2004 and approved by the Senate Judiciary Committee on April 29, 2004. Once enacted, the bill may become effective as early as October 1, 2004. The bill focuses on increasing user fees while also ending diversion of the user fees for other government uses. In particular, the bill proposes fee increases that should increase the USPTO's budget by 25%, to \$1.5 billion, allowing it to hire a substantial number of new examiners and pursue other initiatives. The bill will impact individual inventors, corporations, universities and others.

Other changes in the legislation include: separate filing, searching and examination fees; provisions for partial refunds on withdrawn applications; provision for outsourcing of searches; and additional fees for lengthy patent applications. Discounts for individual inventors, non-profit organizations and small companies (so-called "small entities") remain in force in most cases.

"The patent applicant will need to budget for increased fees at all stages of the application process, as well as after a patent issues," said Paul Esatto, Senior Partner at Scully, Scott, Murphy & Presser. "Additionally, if the invention proves to be commercially unviable or otherwise not worth pursuing, the patent applicant should consider abandoning the application before it is examined -- in time to receive a partial refund of the search and examination fees."

About Scully, Scott, Murphy & Presser

Founded in 1973, Garden City-based Scully, Scott, Murphy & Presser is one of Long Island's largest and most preeminent law firms exclusively dedicated to Intellectual Property. Comprised of highly skilled attorneys with highly technical backgrounds, SSMP confidently sits at the crossroads of cutting edge science, technology and law where it offers detailed, bankable opinions and secures, protects and enforces intellectual property for its clients. For more information, visit Web site <http://www.ssmp.com>.

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May 2004